

Message Text

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SUBJECT: EXAMPLES OF GOOD CORPORATE CITIZENSHIP

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1. DEPRESSED ECONOMIC CONDITIONS IN ZAIRE HAVE, GENERALLY SPEAKING, FORCED MOST AMERICAN COMPANIES LOCATED HERE TO TURN THEIR ENERGIES INWARD JUST TO KEEP THEIR PLANT GATES OPEN, THEIR WORKERS EMPLOYED, AND THEIR HEAD OFFICES CONVINCED THAT ITS ALL WORTH IT. AMERICAN MULTINATIONALS LOCATED IN ZAIRE ARE MODEL EMPLOYERS IN TERMS OF WORK CONDITIONS, BENEFITS, AND SALARIES. HOWEVER, UNTIL RECENTLY, WITH THE

EXCEPTION OF RELATIVELY SMALL SCALE FINANCIAL HELP AND IMPORT FACILITATION FOR SMALL COMMUNITY PROJECTS SUCH AS LIBRARIES AND PLAYING FIELDS, AMERICAN COMPANIES HAVE NOT HAD THE TIME OR MONEY FOR BIG COMMUNITY DEVELOPMENT PROJECTS.

2. HOWEVER, RECENTLY THE ZAIRIAN GOVERNMENT HAS REQUESTED MAJOR INDUSTRIAL ENTERPRISES TO UNDERTAKE AGRICULTURAL PROJECTS TO SHORE UP THE DISINTEGRATING RURAL INFRASTRUCTURE AND TO PRODUCE RAW MATERIALS WHICH THEY MIGHT OTHERWISE IMPORT. IN RETURN, THE GOVERNMENT HAS APPROVED PRICE INCREASES FOR EACH COMPANY WHICH SIGNS A DEVELOPMENT CONVENTION WITH IT, THE PROCEEDS OF WHICH WILL BE USED BY THE COMPANY TO FINANCE ITS PROJECTS. FOR EXAMPLE,
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BREWRIES AND TOBACCO COMPANIES HAVE BEEN GIVEN SMALL PRICE INCREASES TO INVEST IN PROJECTS TO GROW GRAIN AND TOBACCO WHICH WILL BE USED TO REPLACE PRESENT IMPORTS FOR THOSE COMPANIES. OTHER COMPANIES WILL PROVIDE THE INFRASTRUCTURE MAINTENANCE AND MARKETING NETWORK IN A GIVEN AREA OF THE COUNTRY WHICH IS REQUIRED TO IMPROVE AGRICULTURAL OUTPUT THERE.

3. A MILLING COMPANY, WHICH IS PRINCIPALLY OWNED BY AN AMERICAN MULTINATIONAL, IS ABOUT TO EMBARK ON A WHEAT-GROWING PROJECT IN NORTHERN ZAIRE. ACCORDING TO THE INVESTMENT AGREEMENT THIS COMPANY HAS WITH THE GOVERNMENT OF ZAIRE, A PORTION OF ITS EARNINGS IS SET ASIDE ANNUALLY TO REINVEST IN AN AGRICULTURAL OR INDUSTRIAL ENTERPRISE APPROVED BY THE GOVERNMENT. THE COMPANY IS ABOUT TO BEGIN PLANTING A 200 HECTARE PILOT PROJECT WHICH WILL PROVIDE SEED AND BE THE CENTER FOR TECHNICAL ASSISTANCE TO PEASANT FARMERS IN THE AREA. IN ADDITION THE COMPANY WILL PROVIDE THE INFRASTRUCTURE

MAINTENANCE AND THE MARKETING NETWORK REQUIRED FOR THE PROJECT'S SUCCESS. WITHIN FIVE YEARS THE PROJECT IS PLANNED TO ENCOMPASS 10,000 HECTARES AND INVOLVE ABOUT 35,000 SMALL FARMERS. ESTIMATED ANNUAL PRODUCTION WILL BE 26,000 TONS, ENOUGH TO JUSTIFY ERECTION OF A FLOUR MILL IN THE AREA. THE COMPANY HAS ALSO PROPOSED UNDERTAKING A SIMILAR PROJECT IN ANOTHER PART OF THE COUNTRY UNDER A CONVENTION SIMILAR TO THOSE PROVIDED THE BREWERIES.

4. THIS TYPE OF APPROACH IS NOT NEW IN ZAIRE. ESSENTIALLY IT WAS THE TYPE OF ORGANIZATION USED BY THE BELGIANS TO COLONIZE THIS VAST COUNTRY WITH A MINIMUM OF GOVERNMENTAL OVERSIGHT. DURING THAT PERIOD THE SYSTEM OF FARMING OUT CONCESSIONS TO BUSINESS ENTERPRISES PRODUCED SOCIAL ABUSES AS WELL AS MINERAL AND AGRICULTURAL WEALTH. AT THIS END OF THE TWENTIETH CENTURY, THE GOVERNMENT OF ZAIRE APPARENTLY BELIEVES THAT BOTH ITS CONTROL OVER THE COMPANIES AS WELL AS THEIR RAISED LEVEL OF UNCLASSIFIED

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SOCIAL CONSCIOUSNESS WILL PRODUCE THE GOOD RESULTS WITHOUT THE OLD ABUSES. FROM THE COMPANIES' POINT OF VIEW, THEY CAN EARN THE GOOD WILL OF THE GOVERNMENT AND HELP STABILIZE THE ECONOMY THROUGH THE USE OF THEIR MANAGEMENT AND TECHNICAL EXPERTISE. AT THE SAME TIME, FINANCING FOR THEIR EFFORTS WILL COME FROM THE MARKETPLACE RATHER THAN THEIR OWN COFFERS.

5. THIS EXPERIMENT HAS ONLY STARTED IN ZAIRE, AND IT REMAINS TO BE SEEN HOW SUCCESSFUL IT WILL BE. HOWEVER, IT IS A GOOD DEMONSTRATION OF THE MUTUAL DEPENDENCE THAT FOREIGN INVESTORS AND THE GOVERNMENTS OF DEVELOPING COUNTRIES HAVE ON ONE ANOTHER. CUTLER

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